

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



July 13, 2017

COG Operating LLC
Attn: Ms. Robyn Russell

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7554
Administrative Order NSP-2068

COG Operating LLC
OGRID 229137
Burkett 16 State Well No. 12H
API No. 30-015-44268

Non-Standard Location

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1520' FNL & 330' FWL	E	16	17S	31E	Eddy
Penetration Point	967' FNL & 330' FWL	D	16	17S	31E	Eddy
Final perforation	987' FNL & 1430' FEL	B	16	17S	31E	Eddy
Terminus	987' FNL & 1330' FEL	B	16	17S	31E	Eddy

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
N/2 NW/4 of Section 16 NW/4 NE/4	120	Fren; Glorieta-Yeso	26770

Reference is made to your application received on June 6, 2017.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 19.15.15.9 A NMAC, which provides for 40-acre units with wells located at least 330 feet from a unit outer boundary. This location is unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A (2) NMAC.

It is our understanding that the applicant is requesting this non-standard location to optimize the completed lateral length of the wellbore, reducing waste while protecting correlative rights.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

The above approvals are subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Non-Standard Project Area

You have also requested approval of one or more non-standard proration units to be included in your proposed project area, as follows:

Proposed Project Area (120 Acres):

Section 16: N/2 NW/4 & NW/4 NW/4

Pursuant to the authority conferred by Division Rule 19.15.15.13 B (4) NMAC, the above-described non-standard project area is hereby approved.

The above approvals are subject to your being in compliance with all other applicable Division rules.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.



DAVID R. CATANACH
Director

DRC/lrl

cc: Oil Conservation Division – Artesia District Office
State Land Office – Oil, Gas, and Minerals Division